

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐

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| APPLICATION FOR PERMIT TO DRILL | | 1. WELL NAME and NUMBER KETTLE 11-10-3-1E |
| 2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/> | | 3. FIELD OR WILDCAT WILDCAT |
| 4. TYPE OF WELL Oil Well Coalbed Methane Well: NO | | 5. UNIT or COMMUNITIZATION AGREEMENT NAME |
| 6. NAME OF OPERATOR UTE ENERGY UPSTREAM HOLDINGS LLC | | 7. OPERATOR PHONE 720 420-3235 |
| 8. ADDRESS OF OPERATOR 1875 Lawrence St Ste 200, Denver, CO, 80202 | | 9. OPERATOR E-MAIL rgarrison@uteenergy.com |
| 10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) FEE | 11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> | |
| 12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> | | |
| 13. NAME OF SURFACE OWNER (if box 12 = 'fee') DICK KETTLE | | 14. SURFACE OWNER PHONE (if box 12 = 'fee') 435-545-2411 |
| 15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') ROUTE 3 BOX 3310, , | | 16. SURFACE OWNER E-MAIL (if box 12 = 'fee') |
| 17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') | 18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/> | |
| 19. SLANT VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/> | | |

| 20. LOCATION OF WELL | FOOTAGES | QTR-QTR | SECTION | TOWNSHIP | RANGE | MERIDIAN |
|---------------------------------|-------------------|---------|---------|----------|-------|----------|
| LOCATION AT SURFACE | 2381 FSL 1687 FWL | NESW | 10 | 3.0 S | 1.0 E | U |
| Top of Uppermost Producing Zone | 1968 FSL 1994 FWL | NESW | 10 | 3.0 S | 1.0 E | U |
| At Total Depth | 1968 FSL 1994 FWL | NESW | 10 | 3.0 S | 1.0 E | U |

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| 21. COUNTY UINTAH | 22. DISTANCE TO NEAREST LEASE LINE (Feet) 301 | 23. NUMBER OF ACRES IN DRILLING UNIT 40 |
| | 25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 920 | 26. PROPOSED DEPTH MD: 10011 TVD: 9995 |
| 27. ELEVATION - GROUND LEVEL 4894 | 28. BOND NUMBER LPM9032132 | 29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 437478 |


Hole, Casing, and Cement Information

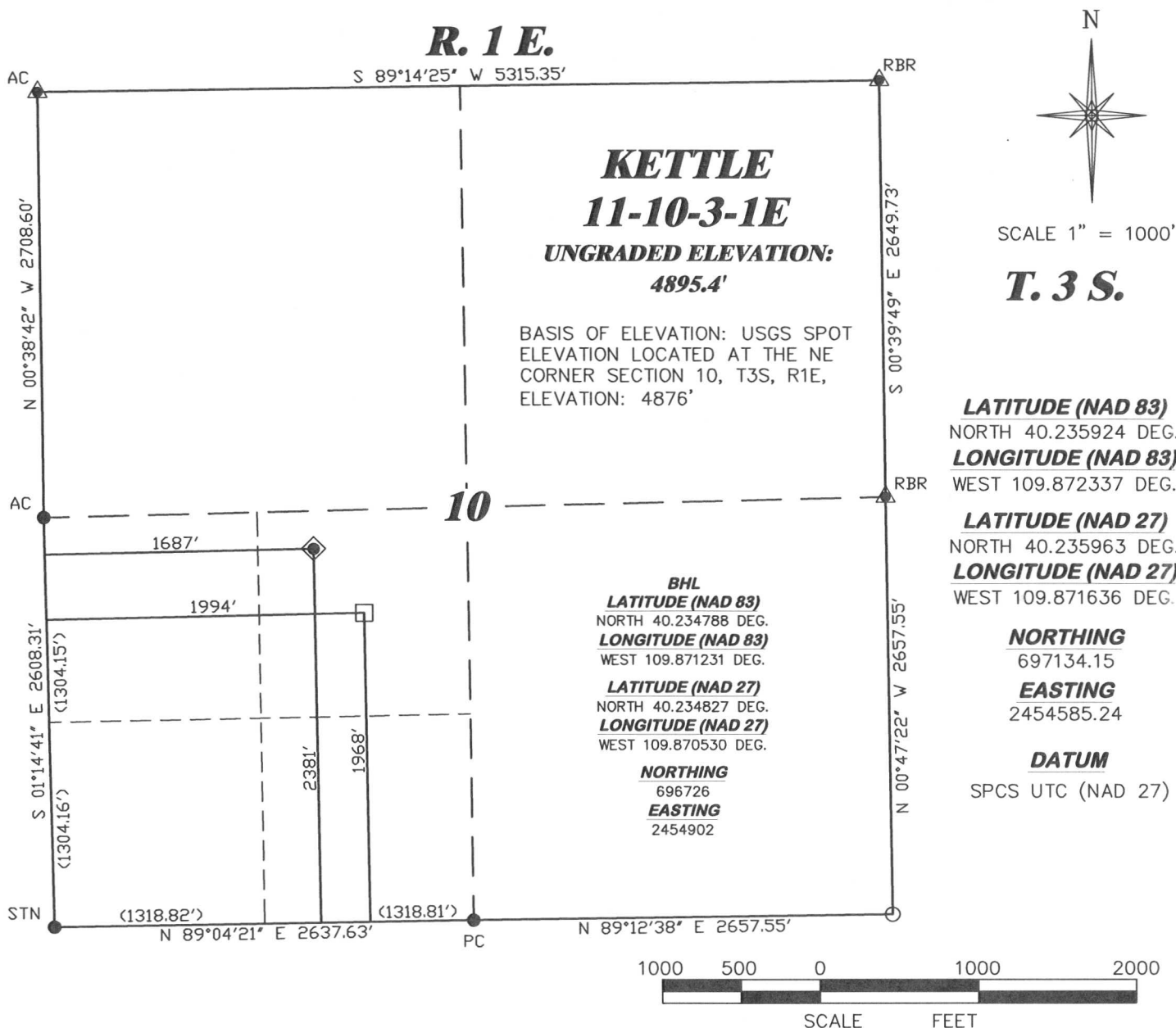
| String | Hole Size | Casing Size | Length | Weight | Grade & Thread | Max Mud Wt. | Cement | Sacks | Yield | Weight |
|--------|-----------|-------------|-----------|--------|----------------|-------------|----------------|-------|-------|--------|
| Surf | 12.25 | 8.625 | 0 - 1000 | 24.0 | J-55 ST&C | 8.4 | Class G | 450 | 1.15 | 15.8 |
| Prod | 7.875 | 5.5 | 0 - 10011 | 17.0 | N-80 LT&C | 10.0 | Light (Hibond) | 300 | 3.66 | 10.5 |
| | | | | | | | Class G | 150 | 2.95 | 11.0 |
| | | | | | | | Class G | 450 | 1.65 | 13.0 |

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

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| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE) | <input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER |
| <input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED) | <input checked="" type="checkbox"/> TOPOGRAPHICAL MAP |

| | | |
|--|--|-------------------------------------|
| NAME Jenn Mendoza | TITLE Regulatory Specialist | PHONE 720 420-3229 |
| SIGNATURE | DATE 09/13/2012 | EMAIL jmendoza@uteenergy.com |
| API NUMBER ASSIGNED 43047531180000 | APPROVAL  Permit Manager | |

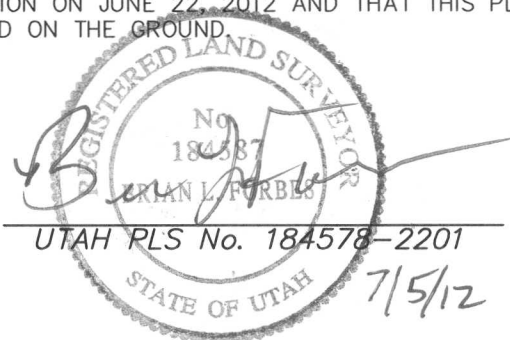


SURVEYOR'S STATEMENT

I, BRIAN L. FORBES, OF ROCK SPRINGS, WYOMING, HEREBY STATE: THIS MAP WAS MADE FROM NOTES TAKEN DURING AN ACTUAL FIELD SURVEY DONE UNDER MY DIRECT SUPERVISION ON JUNE 22, 2012 AND THAT THIS PLAT CORRECTLY SHOWS THE LOCATION OF KETTLE 11-10-3-1E AS STAKED ON THE GROUND.

LEGEND

- ◆ WELL LOCATION
- BOTTOM HOLE LOC. (APPROX)
- FOUND MONUMENT
- ▲ PREVIOUSLY FOUND MONUMENT
- CALCULATED CORNER



DRG RIFFIN & ASSOCIATES, INC.
(307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901

| | |
|---------------------|-------------------|
| DRAWN: 7/5/12 - NDP | SCALE: 1" = 1000' |
| REVISED: NA | DRG JOB No. 19260 |
| | EXHIBIT 1 |

PLAT OF DRILLING LOCATION FOR UTE ENERGY

**2381' F/SL & 1687' F/WL, NESW, SECTION 10,
T. 3 S., R. 1 E., U.S.M
UINTAH COUNTY, UTAH**